

[UNITED STATE OF AMERICA (the "Importing Country")-
FORMER YUGOSLAV REPUBLIC OF MACEDONIA ("the Exporting Country")]

AMENDMENT TO THE BILATERAL TEXTILE AGREEMENT
OF NOVEMBER 7, 1997

Representatives of the Importing Country and the Exporting Country met in Skopje on September 6 and 7, 1999, to discuss textile trade issues. The Parties expressed their mutual interest to continue cooperation on those trade issues in order to promote orderly growth and certainty of access for such trade. The parties also expressed their interest to establish an outward processing program for certain textile products. As a result of their discussions, the two Parties agreed as follows:

1. The Exporting Country and the Importing Country agree to amend the Bilateral Textile Agreement of November 7, 1997, ("1997 BTA") as follows:
 - A. Paragraph 4 of the 1997 BTA shall be renumbered as paragraph 4A.
 - B. A new paragraph 4B shall be added to the 1997 BTA, providing as follows:

4B. Notwithstanding paragraph 4A, effective January 1, 2000, no quota limitations shall apply to products in categories 433, 434, 435, 443, and 448 ("specified products"), exported from the Exporting Country to the Importing Country under the Outward Processing Program for Textiles and Apparel. These specified products will be either assembled in the Exporting Country of fabrics formed and cut in the Importing Country or manufactured in the Exporting Country of fabric formed in the Importing Country. The term "manufactured" refers to specified products that have been both cut and sewn in the Exporting Country. Nothing in this Agreement precludes carrying out operations in the Importing Country.
 - C. A new paragraph 4C shall be added to the 1997 BTA, providing as follows:

4C. In order to qualify for treatment under the Outward Processing Program for Textiles and Apparel, the specified product must meet the following requirements:

 - (i) The specified product must be entirely manufactured or assembled in the Exporting Country;
 - (ii) The specified products must be entirely manufactured or assembled from fabric formed in the Importing Country; i.e., all fabric components of the specified products must be formed in the Importing Country. This requirement applies to all textile components of the specified products, including linings and pocketing, except as provided in paragraph (iv) below. Greige goods that are imported into, and finished in, the Importing Country shall not be considered to

be fabric formed in the Importing Country. Fabric that is woven or knitted in the Importing Country from yarn shall be considered to be formed in the Importing Country.

(iii) The importer of the specified products and the exporter of the Importing Country-formed fabric or its component parts must be the same entity or person;

(iv) Findings and trimmings of non-Importing Country origin may be incorporated into the specified products provided they do not exceed 25 percent of the cost of the fabric in the product. Findings and trimmings include sewing thread, hooks and eyes, snaps, buttons, "bow buds," decorative lace trim, elastic strips, zippers (including zipper tapes), and labels. Elastic strips are considered findings or trimmings only if less than one inch in width and used in the production of brassieres; and

(v) Upon entry into the Importing Country, the specified product must be classified under a subheading of heading 9802 of the Harmonized Tariff Schedule of the United States created to capture such trade, or it must qualify for the special prefix indicating the item was produced with Importing country-formed fabric.

2. Any provision of the 1997 BTA not expressly amended herein remains effective.
3. Either government may terminate this Agreement sixty days after it provides written notice of termination to the other government.

Signed this 17th day of September, 1999

For the Government of
The Exporting Country

For the Government of
The Importing Country